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Land Transfers in Twelve Counties in Nebraska, 1928-1933

L. F. Garey

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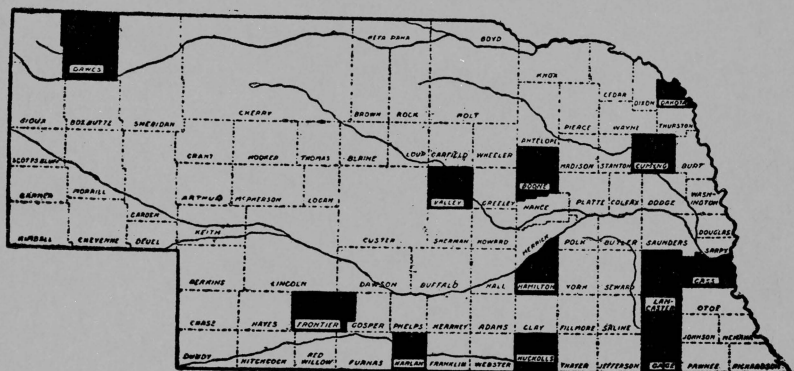
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L. F. Garey
Department of Rural Economics

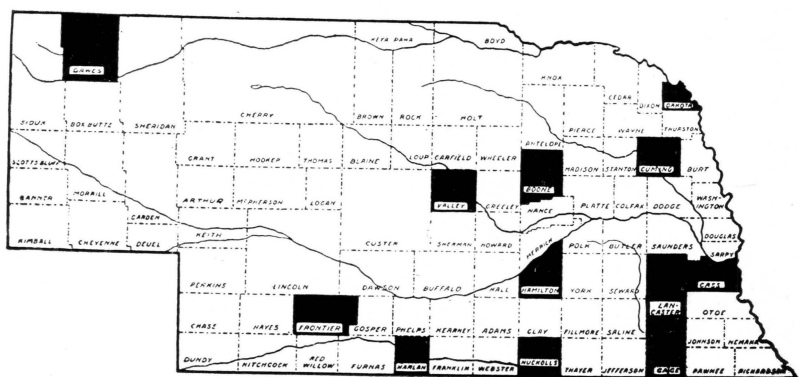


Counties in which the study was made.

LINCOLN, NEBRASKA
NOVEMBER, 1938

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SUMMARY

During the six-year period 1928 to 1933, 1,513,066 acres of land were transferred in the 12 counties studied. Of this land 63.8 per cent was transferred voluntarily, 16.4 per cent by distress transfer, and 19.8 per cent was given away. There were 9,979 transfers involved. Of this number 66.8 per cent were voluntary, 13.0 per cent distress transfers, and 20.2 per cent gifts.

The average sizes of farms for the three kinds of transfer were as follows: voluntary 145 acres, distress 192, and gift 149 acres. The average for all transfers was 152 acres.

The ratio of assessed value to sales value of voluntary transfers was lowest where livestock contributed the major part of the income, except in the range livestock area where the ratio was the highest. The ratio was generally high in cash-grain and general-farming areas.

For the twelve counties studied the ratio of assessed value to sales value was higher for voluntary than for distress transfers. This would indicate that high taxes were not the major cause for distress transfers.

The amount of the claim in distress transfers was 56 per cent of the consideration received when the land was sold. For the counties having an average value of land over \$75 per acre in 1930, the claim was 67 per cent of the price received and for the counties having an average value of less than \$75 per acre the claim was 50 per cent of the price received. The tendency for buyers to pay more in relation to the economic worth for low-priced land than for high-priced land explains this situation.

Twelve per cent of all land in distress transfers was Grade 1 land, 42.8 per cent Grade 2, 10.8 per cent Grade 3, 16.3 per cent Grade 4, and 18.1 per cent Grade 5. This distribution was similar to the distribution of the five grades of land in the counties.

The proportion of land in different grades and the assessed value of buildings were two important influences in determining the sales value in distress transfers. In general the greater the percentage of land in Grade 1, the higher the price received at time of sale and the higher the building value per acre; and the greater the percentage in the poorer grades, the less the price received and the less the building value per acre.

There was an inclination to overvalue Grade 3 land, part of which was due to building value. In some counties there appeared to be a definite inclination to overbuild on the poor grades of land.

Land Transfers in Twelve Counties in Nebraska, 1928-1933

L. F. GAREY

Department of Rural Economics

The importance of the problem of land transfers varies with the changes in economic and social conditions. The causes of land transfer, particularly of distress transfers, are of vital concern to a community because of the depressing effect, not only on the people themselves, but on the financial system in the counties. The purpose of this study was to discover the nature of land transfers, the relation to assessed taxes, and the conditions under which they were made for the six-year period 1928 to 1933, in twelve selected counties in Nebraska.

People dispose of their land holdings voluntarily or by compulsion. Those disposing of their land voluntarily may do so by selling, by trading, or by giving it away. They may sell because they may want to retire, have too much land, wish to move to some other locality, or desire to go into some other kind of business. A considerable amount of land is given away every year, the chief recipients of which are heirs or relatives. Trades often include other considerations than the mere exchange of land. Individuals are compelled to transfer their title in land principally because of failure to pay their obligations on the land.

Increased interest in the purchase of land occurs with an increase in the price of the commodities which farmers have to sell. During good times, hired men become tenants and some tenants buy farms. People in other businesses become interested and some buy farms. Young men go into debt rather heavily in the purchase of land. Competition for land is the result and a rise in the price of land follows. If these conditions continue long enough, the price will rise above the earning power of the land.

In periods of declining prices of farm products land owners find it difficult to meet interest and principal payments in addition to operating expenses, creditors become uneasy, and an unusually large number of mortgages are foreclosed. This starts a downward trend in land values which continues until a better adjustment between the income from land and the price of land is reached.

The land transfers in twelve counties in Nebraska for the period 1928 to 1933 have been studied and the findings are submitted in this bulletin. The data on which the study is based were obtained from records in the office of the Register of Deeds in each county and from other sources and include transfers which occurred during the period indicated. The counties included in the study are Boone, Cass, Cuming, Dakota, Dawes, Frontier, Gage, Hamilton, Harlan, Lancaster, Nuckolls, and Valley. Table 1 gives the acres of land, the percentage in farms, and the percentages of farm land in crops for each of the twelve counties for the year 1929.

TABLE 1.—*Acres of land and percentages in farms and crops by counties for 1929.*¹

County	Total acres	Acres in farms	Value per acre	Per cent of land in farms	Per cent of farm land in crops
Boone	442,880	430,401	\$89.07	97.2	70.9
Cass	344,320	339,201	131.58	98.5	73.6
Cuming	369,280	361,160	167.89	97.8	75.1
Dakota	161,920	146,080	115.28	90.2	75.1
Dawes	897,280	830,224	18.49	92.5	25.4
Frontier	624,000	610,569	32.39	97.8	43.2
Gage	551,680	534,499	113.25	96.9	70.6
Hamilton	344,320	338,038	106.24	98.2	81.1
Harlan	367,360	346,408	54.57	94.3	64.1
Lancaster	545,920	501,733	125.50	91.9	73.5
Nuckolls	370,560	347,004	80.33	93.6	70.7
Valley	364,800	348,312	61.01	95.5	56.4
Total or average....	5,384,320	5,133,629	\$82.59	95.3	60.3

¹ Fifteenth Census of the United States, U. S. Department of Commerce.

Over 95 per cent of all the land was in farms. In Boone, Cass, Cuming, Frontier, and Hamilton over 97 per cent of the land was in farms. The proportion of farm land in crops varied from 25.4 per cent in Dawes county to 81.1 per cent in Hamilton. The percentage was higher for the counties located in the eastern part of the state than those in the western and midwestern parts.

The transfers have been classed under three headings: (1) those that were by voluntary sale; (2) those that were the result of distress either through foreclosure, assignment, or tax sale; and (3) those transferred as gifts, devises, or descents. Table 2 gives the numbers of transfers and the amounts of land transferred by years from 1928 to 1933 for all counties studied according to kind of transfer.

TABLE 2.—*Numbers of transfers and acres transferred according to the kind of transfer from 1928 to 1933 for 12 counties.*

Year	Voluntary sales		Distress transfers		Gifts		Total	
	Number	Acres	Number	Acres	Number	Acres	Number	Acres
1928..	1,178	159,183	125	18,766	346	47,462	1,649	225,411
1929..	1,405	184,508	121	24,004	301	41,024	1,827	249,536
1930..	1,193	160,184	161	30,856	351	47,933	1,705	238,973
1931..	1,131	182,437	158	31,878	299	47,283	1,588	261,598
1932..	994	159,794	380	81,223	366	55,926	1,740	296,943
1933..	769	118,454	348	61,608	353	60,543	1,470	240,605
Total..	6,670	964,560	1,293	248,335	2,016	300,171	9,979	1,513,066

During the six-year period 1928 to 1933, there were 9,979 transfers of land in the 12 counties studied. There was no definite trend in the total number of transfers during the period, the first part of which could be

considered a prosperous period for agriculture and the latter part a period of depression. While there was no definite trend in the total number of transfers during the period, there was a definite trend in voluntary and distress transfers, particularly after 1929. Of the total number of transfers 6,670 or 67 per cent were voluntary, 2,016 or 20 per cent were gifts, and the remainder, 1,293 or 13 per cent were distress. The number of voluntary sales decreased noticeably after 1931 and the number of distress sales increased except for the years 1931 and 1933. The distress sales were more numerous during the agricultural depression than during the years immediately preceding. There was no noticeable trend in the number of gifts during the period.

TABLE 3.—*Proportion of farm land transferred according to kind of transfer from 1928 to 1933 in 12 counties in Nebraska.*

Year	Per cent of farm land transferred			Total acres
	Voluntary	Distress	Gifts	
1928.....	70.62	8.33	21.05	225,411
1929.....	73.94	9.62	16.44	249,536
1930.....	67.03	12.91	20.06	238,973
1931.....	69.74	12.18	18.08	261,598
1932.....	53.82	27.35	18.83	296,943
1933.....	49.24	25.60	25.16	240,605
Average or total.....	63.75	16.41	19.84	1,513,066

Of the land transferred, 63.75 per cent was by voluntary sale (Table 3). The proportion of land transferred voluntarily decreased from 70.62 per cent in 1928 to 49.24 in 1933. This indicates that the agricultural depression affected adversely the voluntary sale of land. It indicates a decreased interest on the part of buyers of land on a declining market. On the other hand less than 10 per cent of the land was transferred by distress sale in each of the years 1928 and 1929. In 1933, the fourth year of the depression, 25.60 per cent of all the land transferred was by distress sale. This would indicate that undoubtedly some of the land was purchased in 1928 and 1929 or previously, on a high price level, and that the mortgage obligations could not be met on the price level from 1930 to 1933. This view is substantiated by the increase in the proportion of land transferred by distress sale after 1929. The data in Table 3 indicate that the proportion of land transferred by distress sale was approximately three times as much at the end of the period as at the beginning. There was no definite trend in the proportion of land transferred by gift during the period. The amount of land transferred in these counties in 1928 was 225,411 acres and in 1932 it was 296,943 acres, the highest for any year.

There was a tendency for the acres per transfer to increase during the period. This was true with each of the three kinds of transfers indicated in Table 4 although it was not as marked with the distress as with the

TABLE 4.—*Acres of land per transfer by years from 1928 to 1933 according to kind of transfer.*

Year	Acres per transfer			
	Voluntary	Distress	Gifts	Average
1928.....	135	150	137	137
1929.....	132	198	136	137
1930.....	134	192	137	140
1931.....	161	202	158	165
1932.....	161	214	153	171
1933.....	154	177	172	164
Average for period.....	145	192	149	152

other kinds of transfers, particularly after 1929. It is reasonable to assume that inasmuch as most of the transfers were entire farms, the farms transferred increased in size up to 1933. It would appear from these data that during a period of agricultural depression the size of the farms transferred becomes larger as the period progresses. The average size of the farms transferred was less than that for the county.

TABLE 5.—*Percentages of farm land transferred and kinds of transfer for the six-year period, 1928 to 1933, by counties.*

County	Per cent of farm land transferred	Per cent of land transferred by kind of transfer indicated			
		Voluntary	Distress	Gift	Total
Boone	7.5	55.4	31.0	13.6	100.0
Cass	4.8	70.1	6.3	23.6	100.0
Cuming	5.6	63.8	2.7	33.5	100.0
Dakota	3.4	51.1	26.7	22.2	100.0
Dawes	2.6	69.1	22.5	8.4	100.0
Frontier	4.8	61.2	9.2	29.6	100.0
Gage	4.9	63.6	12.3	24.1	100.0
Hamilton	5.1	69.2	11.6	19.2	100.0
Harlan	4.8	62.4	22.4	15.2	100.0
Lancaster	5.1	72.3	10.7	17.0	100.0
Nuckolls	5.0	54.7	18.0	27.3	100.0
Valley	7.0	66.1	24.9	9.0	100.0
Average	4.9	63.8	16.4	19.8	100.0

As an average for the counties, a little less than 5 per cent of the farm land was transferred during the six years 1928 to 1933 (Table 5). Relatively less farm land was transferred in Dawes than in any other county and more in Boone, although the proportion transferred in Valley was nearly as much as in Boone. More acres were transferred in Boone county during the period than in any other of the 12 counties studied and fewer in Dakota. The fact that fewer acres were transferred in Dakota county was due in part to the small size of the county.

TYPE OF FARMING AND TRANSFERS

Several types of farming are represented by the counties included in this study. Boone, Cuming, and Dakota represent an intensive livestock-production area; Cass, Gage, and Lancaster a general-farming area; Frontier, Harlan, and Nuckolls a livestock and cash-grain area; Hamilton a cash-grain and livestock area; Valley a livestock and general-farming area; and Dawes an area of range livestock with some cash crops. The distribution of the kinds of transfers from 1928 to 1933 by type-of-farming area is given in Table 6.

There was no definite trend in the percentages of gift transfers in any of the counties representing the type-of-farming areas indicated in Table 6. There was a general increase in the proportion of distress transfers to all transfers and a decrease in voluntary transfers in all areas except the cash-grain and livestock and the range areas. The proportion of distress sales increased rapidly after 1930 and 1931 in the livestock and general-farming area and in the livestock and cash-grain area, the former being located in the central part of the state and the latter in the south-central part.

TABLE 6.—*Percentage distribution of kind of transfer from 1928 to 1933 according to type of farming.*

Year	Number of transfers	Per cent		
		Voluntary	Distress	Gift
Intensive Livestock Production: Boone, Cuming, Dakota				
1928.....	367	66.76	7.08	26.16
1929.....	430	70.93	11.40	17.67
1930.....	412	63.84	17.23	18.93
1931.....	384	65.89	13.80	20.31
1932.....	383	48.82	23.50	27.68
1933.....	325	49.53	22.78	27.69
Average or total.....	2,301	61.45	15.78	22.77
General Farming: Cass, Gage, Lancaster				
1928.....	568	73.77	6.51	19.72
1929.....	644	80.59	3.73	15.68
1930.....	639	74.02	3.76	22.22
1931.....	580	75.00	6.04	18.96
1932.....	596	62.08	15.94	21.98
1933.....	529	60.87	16.64	22.49
Average or total.....	3,556	71.37	8.52	20.11
Livestock and Cash Grain: Frontier, Harlan, Nuckolls				
1928.....	391	71.87	6.14	21.99
1929.....	448	74.78	7.14	18.08
1930.....	348	68.68	9.48	21.84
1931.....	294	67.35	9.86	22.79
1932.....	306	44.77	28.76	26.47
1933.....	307	36.16	36.81	27.03
Average or total.....	2,094	62.12	15.24	22.64

TABLE 6.—*Percentage distribution of kind of transfer from 1928 to 1933 according to type of farming. (Concluded.)*

Year	Number of transfers	Per cent		
		Voluntary	Distress	Gift
Cash Grain and Livestock: Hamilton				
1928.....	180	68.33	11.11	20.56
1929.....	191	74.87	3.66	21.47
1930.....	170	64.71	10.00	25.29
1931.....	142	76.76	4.93	18.31
1932.....	175	72.00	12.00	16.00
1933.....	113	53.10	15.93	30.97
Average or total.....	971	69.10	9.27	21.63
Livestock and General Farming: Valley				
1928.....	140	77.14	12.86	10.00
1929.....	109	90.83	7.34	1.83
1930.....	121	79.34	11.57	9.09
1931.....	109	70.64	19.27	10.09
1932.....	178	58.99	32.58	8.43
1933.....	102	45.10	41.18	13.72
Average or total.....	759	69.96	21.21	8.83
Range Livestock and Cash Crops: Dawes				
1928.....	3	66.67	.....	33.33
1929.....	5	80.00	20.00	.....
1930.....	15	80.00	13.33	6.67
1931.....	79	74.68	16.46	8.86
1932.....	102	67.65	27.45	4.90
1933.....	94	73.40	13.83	12.77
Average or total.....	298	72.15	19.13	8.72

Figure 1 shows the proportion of all transfers that were distress sales according to the type-of-farming areas. The proportion was highest in 1933 in all type-of-farming areas included except the range-livestock and cash-crops area in the northwestern part of the state, in which the highest proportion was reached in 1932.¹

The increase in the proportion of distress sales to all transfers in the general-farming area in the southeastern part of the state and in the intensive-livestock-production area in the northeastern part was greatest from 1931 to 1932 with but little change from 1932 to 1933.

The relationship of the assessed value per acre to voluntary sale value of land among the different areas represented by the counties studied is given in Table 7. In four type-of-farming areas the assessed valuation per acre was higher than the voluntary sale value for the six-year period studied and in two it was lower. The assessed value was higher in two areas in the eastern part of the state where a large proportion of the total income from the farm was from the sale of crops, in one area in the western part of the

¹ These findings are in general agreement with those of Eleanor H. Hinman in Agricultural Experiment Station Research Bulletin 72, p. 38, University of Nebraska.

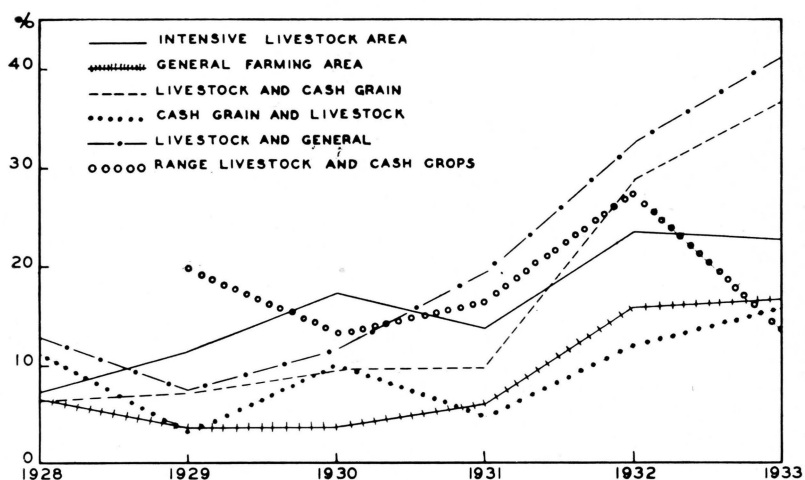


FIG. 1.—Percentage relationship of distress sales to all transfers for six type-of-farming areas, 1928-1933.

TABLE 7.—Relation of assessed to voluntary sale value of land per acre by type-of-farming areas.

Year	Assessed value	Sale value	Ratio	Assessed value	Sale value	Ratio
Intensive Livestock				General Farming		
1928.....	\$63.03	\$99.84	63	\$91.56	\$100.83	91
1929.....	86.59	90.21	96	92.16	93.97	98
1930.....	82.67	86.19	96	97.00	85.58	113
1931.....	65.25	63.56	103	86.76	66.73	130
1932.....	77.09	64.90	119	75.62	64.26	118
1933.....	63.30	72.66	87	58.34	48.91	119
Av.....	73.76	80.33	92	84.96	78.07	109
Livestock and Cash grain				Cash Grain and Livestock		
1928.....	33.68	41.54	81	80.20	91.26	88
1929.....	28.90	41.55	70	86.12	82.14	105
1930.....	28.14	42.23	67	81.77	61.91	132
1931.....	25.79	33.34	77	78.20	57.92	135
1932.....	25.10	29.62	85	66.08	53.34	124
1933.....	21.87	24.19	90	54.73	42.22	130
Av.....	28.20	37.37	75	76.10	67.05	113
Livestock and General Farming				Range Livestock and Some Cash Crops		
1928.....	39.42	43.66	90	10.09	7.03	144
1929.....	39.75	39.72	100	9.52	5.63	169
1930.....	39.66	37.84	105	9.18	6.39	144
1931.....	36.83	28.15	131	10.51	6.32	166
1932.....	34.40	24.83	138	7.24	8.27	88
1933.....	25.51	24.78	103	9.56	7.91	121
Av.....	36.90	34.15	108	9.01	7.40	122

state where the land was low in price, and in one area in the central part of the state where the sale of crops constituted an important part of the farm income.

There is no conclusive evidence in this study that high taxes, as judged by the relationship of assessed to sales value, are a direct cause of farm foreclosures. In the intensive-livestock-production area and in the livestock and cash-grain area the assessed value was below the sales value but the proportion of distress transfers to all transfers was 15.78 and 15.24 per cent, respectively. In the general-farming and the cash-grain-livestock areas in the eastern part of the state the assessed value was higher than the sales value and the proportion of distress to total transfers was 8.52 and 9.27 per cent, respectively. In all the four areas mentioned the climatic conditions are somewhat similar. In the livestock-general-farming area and the range-livestock area the assessed value was above the sales value and the proportion of distress to total transfers was 21.21 and 19.13 per cent, respectively. The land in these two areas was valued considerably below that in the other areas but undoubtedly above the producing power of the land.

The commodities for which an index of prices is indicated in Table 8 are the ones that account for over 80 per cent of the agricultural income in Nebraska. A relationship between the prices received by farmers and the percentage of all transfers that were distress sales can be detected by comparing the index of prices in Table 8 with particular type-of-farm-

TABLE 8.—*Index of prices for certain groups of commodities produced by farmers in Nebraska, 1924 to 1934. (1925-1929=100).*

Year	Hogs	Beef cattle	Dairy products	Wheat	Corn	All agricultural products
1925.....	105	88	91	125	88	100
1926.....	118	88	94	103	106	103
1927.....	97	100	101	102	104	98
1928.....	85	121	108	83	107	98
1929.....	95	121	106	87	95	101
1930.....	89	103	78	52	66	82
1931.....	56	71	55	30	43	55
1932.....	32	58	40	29	35	41
1933.....	33	46	43	48	38	41
1934.....	41	53	55	68	80	55

ing areas in Table 6. With the exception of the range-livestock area, the relationship appears to be a little closer in types of farming where livestock accounts for the major part of the income and in the general-farming areas, than where cash grains constitute the major source of income. It is recognized that the effect of the fall in prices received by farmers would have been less severe if the prices paid by farmers for commodities used had fallen at the same rate.

FINANCIAL CONSIDERATIONS

Of the three kinds of transfers studied the sales by the voluntary method indicate more nearly the actual value of land as judged by buyers and sellers than does either of the other two. Value of land as indicated by distress sales is usually below that of voluntary sales. The only consideration listed for land given away was one dollar. Table 9 gives the assessed and sales value of land by counties and by method of transfer.

TABLE 9.—*Assessed and sales value of land per acre according to method of transfer by counties for the period 1928 to 1933.*

County	Voluntary transfer		Distress transfer		Gift
	Assessed value	Sale value	Assessed value	Sale value	Assessed value
Boone	\$56.08	\$54.63	\$54.75	\$62.07	\$65.21
Cass	92.74	88.13	78.69	40.86	98.49
Cuming	100.45	112.62	74.80	67.74	103.77
Dakota	61.20	95.90	50.10	66.31	52.29
Dawes	9.01	7.40	7.11	5.81	8.94
Frontier	15.11	25.50	14.98	20.03	14.55
Gage	80.06	78.43	59.62	80.24	77.17
Hamilton	76.10	67.05	75.80	74.51	82.02
Harlan	29.21	40.76	22.21	35.63	27.47
Lancaster	84.56	71.54	75.24	66.88	83.53
Nuckolls	49.86	55.90	46.04	57.84	51.66
Valley	36.90	34.15	30.13	36.55	30.07
Average	\$56.77	\$57.15	\$42.79	\$48.25	\$60.32

According to the assessed valuations placed on the land transferred for all counties as a group, the land transferred by gift was the most valuable and that transferred by distress sale the least valuable. This same condition appears to have existed in those counties where the land was high priced, with the exception of Gage and Dakota counties. For seven counties the assessed valuation for land transferred by gift was less than that for voluntary sales and for five it was greater. The assessed valuation for land given away and that sold voluntarily was about the same for Lancaster county. Of the seven counties where the assessed valuation of gift transfers was less than that of voluntary transfers, four had a valuation of less than \$75 per acre on their land in 1930. This would suggest a tendency toward giving away the poorer land where land was low in price. For the counties having a valuation over \$75 per acre in 1930 the inclination was to give away good land just as frequently as poor land.

For all counties as a whole, the percentage that the assessed value was of the sales value for voluntary transfers increased from 1928 to 1931 and 1932 and decreased in 1933 as indicated in Table 10. The trend in this percentage varied in different counties. It was over 100 in all years in Lancaster county, in all but 1932 in Dawes, and in all but 1928 in Valley; this means that the land was assessed at a higher valuation than the sales value.

TABLE 10.—*Percentage assessed value was of sales value for voluntary transfers by counties from 1928 to 1933.*

County	1928	1929	1930	1931	1932	1933	Average
Boone	56	103	105	110	190	127	103
Cass	88	96	104	117	115	118	105
Cuming	72	97	94	105	87	77	89
Dakota	53	54	67	68	93	94	64
Dawes	158	169	144	166	88	121	122
Frontier	55	57	50	66	69	97	59
Gage	83	85	128	111	117	140	103
Hamilton	88	105	132	135	124	130	113
Harlan	70	67	74	76	76	72	72
Lancaster	104	112	109	159	123	111	118
Nuckolls	105	84	79	89	109	100	88
Valley	90	100	105	131	139	103	108
Average	81	93	100	115	115	105	99

The averages for the six-year period were 118 in Lancaster, 122 in Dawes, and 108 in Valley. On the other hand the percentage in Dakota, Frontier, and Harlan counties was under 100 throughout the period, and averaged 64, 59, and 72 for these counties, respectively. In two other counties, Cuming and Nuckolls, the percentages for the period were under 100 and averaged 89 and 88 for these two counties, respectively. For the six-year period the average assessed value for all twelve counties was 99 per cent of the sales value.

Six counties had a voluntary sales value of more than \$75 per acre in 1930 and six had less. The fluctuation in both the sale and assessed value of land was greater for the counties where the voluntary sales value averaged over \$75 per acre than where the sales value was less. Figure 2 shows the average voluntary sale and the assessed value of land for the counties having sales values above and below \$75 per acre and Figure 3 for the counties over \$75 per acre.

It can be noted from Figures 2 and 3 that when land values were decreasing the assessed valuation decreased but at a slower rate. The assessed values showed a tendency to decline after the sales values dropped. The decline was a little later on the low- than on the high-priced land. On the higher-priced land the assessed value exceeded the sales value until 1930, while on the lower-valued land it did not exceed the sales value until 1932. It should be pointed out that on the higher-priced land, as determined by voluntary sales value, the price was declining in 1928, two years previous to the depression of 1930. On the lower-valued lands there was only a slight decline in 1930, after which the decline was rather rapid. For the state as a whole there was a general decline in land values from 1920 to 1933.²

² The Farm Real Estate Situation, 1935-36, U. S. Department of Agriculture Circular 417, page 6.

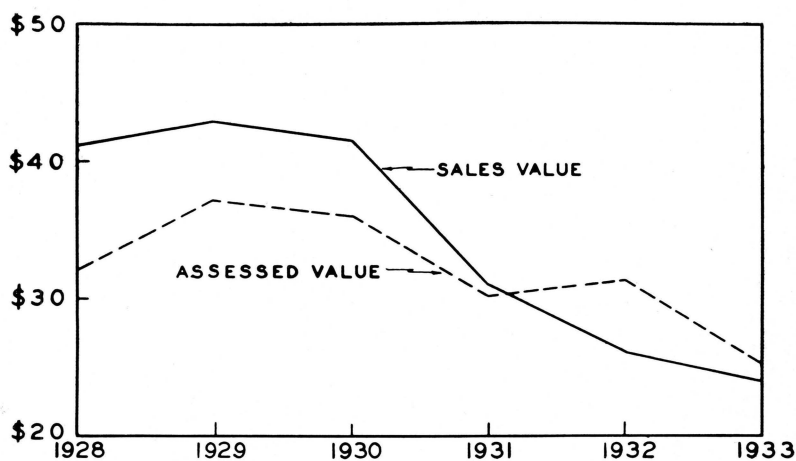


FIG. 2.—Sales and assessed value per acre for land under \$75 per acre in 1930.

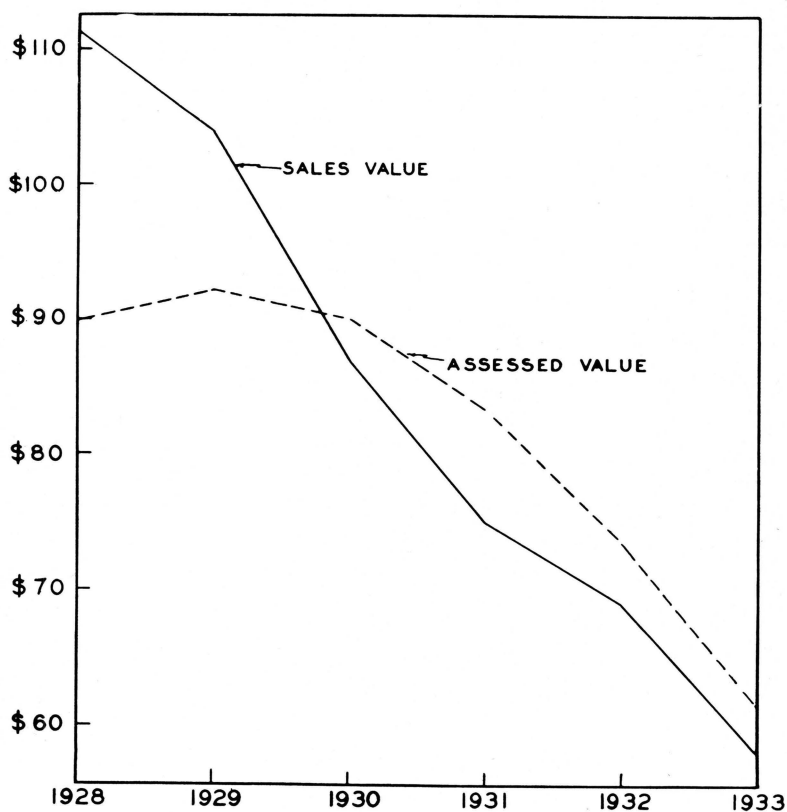


FIG. 3.—Sales and assessed value per acre for land over \$75 per acre in 1930.

It should not be concluded that the farmers on the higher-priced land were necessarily in greater distress from the standpoint of taxes than those on the lower-priced land. Although the taxes were higher on the better than on the poorer land, the income was also higher, which enabled farmers more nearly to meet their fixed expenses. It does suggest, however, that if the proper adjustment between sale and assessed values existed previous to 1929, a greater portion of the tax burden was shifted to the higher-priced lands after 1930 when land values started to decline.

LAND VALUE AND KIND OF TRANSFER

The assessed valuation may be regarded as a reasonable guide to the quality of the land, because the same method of appraisal is used on all land. The true value of land is not often indicated in distress sales and only a one-dollar consideration is listed for most gifts. Table 11 gives the assessed valuation of land per acre for the three kinds of transfers studied.

TABLE 11.—*Assessed value of land per acre according to kind of transfer for 12 counties, 1928 to 1933.*

Kind of transfer	Assessed value per acre						
	1928	1929	1930	1931	1932	1933	Average
Voluntary	\$60.46	\$65.44	\$66.57	\$54.06	\$48.17	\$40.80	\$56.77
Distress	59.93	44.70	55.64	43.76	37.84	36.40	42.79
Gift	71.94	76.63	64.15	58.81	57.40	40.98	60.32

In all years the assessed value per acre was lower for the distress transfers than that for the voluntary, and for the six-year period averaged \$13.98 lower. In all years except 1930 the assessed value for the gift transfers exceeded the assessed value of the voluntary transfers and averaged \$3.55 higher for the period. If the assessed value of land may be used as an indication of its power to produce crops, the poorest land was transferred by distress sale and the best land by gift.

The actual consideration of all land transferred by the voluntary method for all counties for the six-year period was \$8.90 per acre higher than that transferred by distress sale (Table 9). A comparison of the difference between the assessed values of the voluntary and distress transfers with the difference in the consideration realized in these same transfers, indicates a tendency to underassess the distress transfers. A farm is usually in distress some time before a distress transfer takes place. Because of this there is a tendency to underassess such property. Table 12 gives the relation of claim to consideration for distressed sales by counties.

The amount of the claim was less than half of the consideration received for the distress sales in only four counties, Frontier, Gage, Harlan, and Valley, the claim for all four counties being 42 per cent of the consideration. For the eight counties in which the amount of the claim was over half of the consideration the claim averaged 63 per cent of the considera-

TABLE 12.—*Relation of amount of claim to the consideration in distress sales by counties, 1928 to 1933.*

County	Amount per acre		Per cent claim was of consideration
	Claim	Consideration	
Boone	\$33.20	\$62.07	53.48
Cass	59.15	40.86	144.77
Cuming	41.84	67.77	61.74
Dakota	58.64	66.31	88.47
Dawes	4.69	5.81	80.68
Frontier	2.63	20.03	13.15
Gage	36.27	80.24	45.20
Hamilton	52.08	74.51	69.89
Harlan	13.81	35.63	38.77
Lancaster	46.60	66.88	69.68
Nuckolls	29.56	57.84	51.10
Valley	17.27	36.55	47.25
Average	\$27.09	\$48.25	56.14

tion. For the six counties that had an average value of land over \$75 per acre in 1930, the claim for the distress sales was 67 per cent of the price received for the land and for the six counties that had an average value of land under \$75 the claim was 50 per cent of the price received. This would indicate that on high-priced land either the amount of the loan was high or the valuation placed on the land was low, while on the low-priced land either the amount of the loan was low or the valuation placed on the land was high.

GRADES OF LAND AND FORCED SALES

The land in each of the counties was classified under five grades. Grade 1 consists for the most part of the most productive bottom land and terrace soils and Grade 2 the best upland soils. Grades 3 and 4 range from sandy to clayey soils and decrease in productivity and have certain restrictions with respect to use. Grade 5 consists of dune sand, extremely sandy soils, riverwash, rough broken land, and other unproductive soils.³ Table 13 gives the estimated acreage of the different grades of land in the counties included in this study.

All counties except Gage and Valley have more land in Grade 2 than any other grade and for the group as a whole there are only 252,492 acres less in Grade 2 than in all other grades combined. This indicates the importance of this grade of land for farming purposes in these counties. Valley county has more Grade 5 land than any other grade. The acreage of land in each of Grades 1, 3, 4, and 5 and for the group as a whole is not greatly different. Approximately 35 per cent of the land in Dawes and Valley counties and 30 per cent in Frontier is in Grade 5 (Table 14). On

³ This classification and the estimated acreage in each grade were developed cooperatively by workers in the Nebraska Agricultural Experiment Station and the Agricultural Extension Service, and is based fundamentally on soil surveys.

TABLE 13.—*Estimated acreages of each grade of land in the 12 counties studied.*

County	Grades of land					Total
	1	2	3	4	5	
Boone	53,632	308,224	8,704	26,880	45,440	442,800
Cass	49,344	178,368	86,976	37,056	1,536	353,280
Cuming	75,840	261,952	11,840	7,040	8,128	364,800
Dakota	14,976	74,304	39,040	30,912	5,888	165,120
Dawes	92,928	364,416	123,712	.....	316,224	897,280
Frontier	37,430	249,530	18,715	137,242	180,908	623,825
Gage	117,440	101,696	282,240	45,056	1,408	547,840
Hamilton	31,552	219,584	4,352	86,912	1,920	344,320
Harlan	43,584	200,448	4,928	107,712	10,688	367,360
Lancaster	87,616	362,240	96,576	2,368	.....	548,800
Nuckolls	33,600	175,296	4,224	151,232	6,208	370,560
Valley	61,431	73,100	64,103	37,200	128,909	364,743
Total	699,373	2,569,158	745,410	669,610	707,257	5,390,808

the other hand, only Gage county had a smaller percentage of its land in Grades 1 and 2 than Dawes and Frontier and only 3.2 per cent more than Valley. Boone had approximately 10 per cent with no other county as much as 4 per cent.

Except for Cass, Cuming, Harlan, Lancaster, and Nuckolls counties, a larger percentage of Grade 1 land is cultivated than of any other grade (Table 15). In the five counties mentioned above a larger percentage of

TABLE 14.—*Percentages of total land in the county in each grade of land.*

County	Grade of land					Total
	1	2	3	4	5	
Boone	12.1	69.6	2.0	6.1	10.2	100.0
Cass	14.0	50.5	24.6	10.5	0.4	100.0
Cuming	20.8	71.8	3.3	1.9	2.2	100.0
Dakota	9.1	45.0	23.6	18.7	3.6	100.0
Dawes	10.4	40.6	13.8	...	35.2	100.0
Frontier	6.0	40.0	3.0	22.0	30.0	100.0
Gage	21.4	18.6	51.5	8.2	0.3	100.0
Hamilton	9.2	63.8	1.3	25.2	0.5	100.0
Harlan	11.9	54.6	1.3	29.3	2.9	100.0
Lancaster	16.0	66.0	17.6	0.4	...	100.0
Nuckolls	9.1	47.3	1.1	40.8	1.7	100.0
Valley	16.8	20.0	17.6	10.2	35.4	100.0
Average	13.0	47.7	13.8	12.4	13.1	100.0

Grade 2 land is cultivated than in any other grade. The smallest percentage of cultivated land is found in Grade 5, except in Nuckolls county in which the smallest percentage is in Grade 3. Three counties, Dakota, Hamilton, and Lancaster, have no Grade 5 land as based on original soil surveys. Dawes county has no Grade 4 land. For planning purposes it is doubtful if any Grade 4 or 5 land should be cultivated. A larger percent-

TABLE 15.—*Percentages of grades of land cultivated in the twelve counties studied.*

County	Grade of land					Area of all
	1	2	3	4	5	
Boone	81.6	77.4	70.7	36.5	6.1	67.9
Cass	73.8	80.0	77.3	53.3	4.2	75.3
Cuming	68.5	77.2	77.0	59.8	11.3	73.6
Dakota	91.6	87.5	79.0	67.6	...	79.0
Dawes	59.7	30.6	14.7	...	6.4	22.9
Frontier	85.0	70.0	55.0	20.0	13.3	43.0
Gage	83.1	75.0	70.0	30.9	10.0	70.4
Hamilton	95.1	93.8	59.8	46.8	...	81.1
Harlan	62.2	64.4	53.2	56.7	36.0	60.9
Lancaster	70.0	80.0	47.0	90.0	...	72.6
Nuckolls	80.5	82.9	28.8	47.0	33.1	66.7
Valley	90.0	80.0	75.0	50.0	12.8	54.0
Average	76.0	71.6	58.9	43.2	6.9	58.4

age in cultivation of Grades 1 and 2 and a smaller percentage in Grades 3, 4, and 5 would doubtless result in more efficient production where rainfall is sufficient for a choice of crops. Table 16 gives the total acres in each grade of land in distress transfers for the six-year period 1928 to 1933.

TABLE 16.—*Acres in each grade of land in distress transfers, 1928 to 1933.*

County	Grade of land					Total
	1	2	3	4	5	
Boone	6,610	35,694	1,556	4,917	10,221	58,998
Cass	753	4,136	1,036	491	18	6,434
Cuming	1,316	1,877	267	114	79	3,653
Dakota	567	2,618	2,631	1,749	...	7,565
Dawes	2,558	8,692	1,310	...	18,359	30,919
Frontier	250	6,612	502	1,922	6,808	16,094
Gage	3,873	2,036	10,620	3,718	46	20,293
Harlan	2,288	12,864	487	5,490	1,550	22,679
Hamilton	1,350	7,349	91	3,254	...	12,044
Lancaster	1,653	11,903	1,300	61	...	14,917
Nuckolls	2,065	7,390	437	8,377	344	18,613
Valley	6,536	4,145	8,050	10,433	7,614	36,778
Total	29,940	106,556	26,987	40,465	45,039	248,987

The acreages in Table 16 are for the six-year period 1928 to 1933, and in some cases may have included land that was transferred more than once. The number of such transfers is very small and has no particular influence on the total amount of land in any grade.

There was more Grade 2 land in the distress transfers than in any other grade and 35,875 acres less than in all the other grades combined. There was more Grade 5 in these transfers than Grade 4 and more Grade 4 than either 1 or 3. Table 17 gives the percentages of all distress land represented by grade of land for the twelve counties studied, 1928-1933.

TABLE 17.—*Percentages of total land in distress transfers in each grade of land.*

County	Grade of land					Total
	1	2	3	4	5	
Boone	11.2	60.5	2.6	8.3	17.4	100.0
Cass	11.7	64.3	16.1	7.6	0.3	100.0
Cuming	36.0	51.4	7.3	3.1	2.2	100.0
Dakota	7.5	34.6	34.8	23.1	..	100.0
Dawes	8.3	28.1	4.2	..	59.4	100.0
Frontier	1.6	41.1	3.1	11.9	42.3	100.0
Gage	19.1	10.0	52.4	18.3	0.2	100.0
Hamilton	11.2	61.0	0.8	27.0	..	100.0
Harlan	10.1	56.7	2.2	24.2	6.8	100.0
Lancaster	11.1	79.8	8.7	0.4	..	100.0
Nuckolls	11.1	39.7	2.4	45.0	1.8	100.0
Valley	17.8	11.3	21.9	28.3	20.7	100.0
Average	12.0	42.8	10.8	16.3	18.1	100.0

TABLE 18.—*Percentage of each grade of land in distress transfers, 1928 to 1933.*

County	Grade of land					All grades
	1	2	3	4	5	
Boone	12.3	11.5	17.9	18.3	22.5	13.3
Cass	1.5	2.3	1.2	1.3	1.2	1.8
Cuming	1.7	0.7	2.2	1.6	1.0	1.0
Dakota	3.8	3.5	6.7	5.7	..	4.6
Dawes	2.7	2.4	1.1	..	5.8	3.4
Frontier	0.7	2.6	2.7	1.4	3.8	2.6
Gage	3.3	2.0	3.8	8.3	3.2	5.5
Hamilton	4.3	3.3	2.1	3.7	..	3.5
Harlan	5.2	6.4	9.9	5.1	14.5	6.2
Lancaster	1.9	3.3	1.3	2.6	..	2.7
Nuckolls	6.1	4.2	10.3	5.5	5.5	5.0
Valley	10.6	5.7	12.6	28.0	5.9	10.1
Average	4.3	4.1	3.6	6.0	6.4	4.6

There were 699,373 acres of Grade 1 land in the 12 counties, of which 29,940 or 4.3 per cent was in distress transfers. Similarly 4.1 per cent of Grade 2 land, 3.6 per cent of Grade 3, 6.0 per cent of Grade 4, and 6.4 per cent of Grade 5 were in distress transfers (Table 18). Not only was the acreage in distress transfers larger in Boone and Valley counties than in any other county, but the percentage of total land in the county in distress was larger. The distress transfer acreage in Boone county constituted 13.3 per cent of the total acreage in the county and that transferred in Valley county 10.1 per cent during the six-year period 1928 to 1933. Probably the same land was not transferred more than once by this method during the six-year period. Counties in which relatively small amounts of land were in

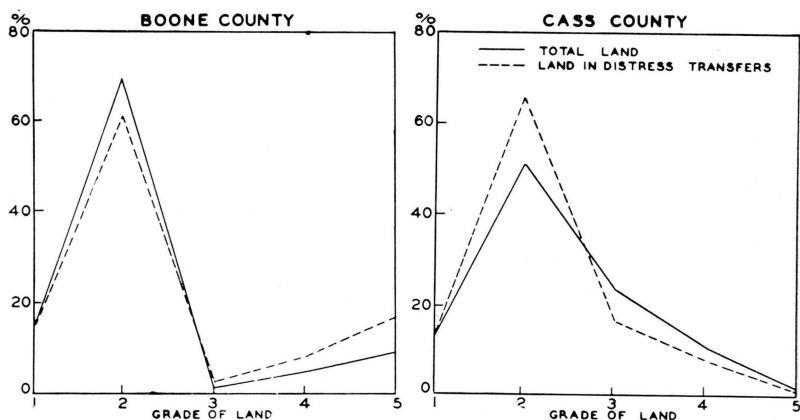


FIG. 4.—Proportion of land in Boone and Cass counties by grades and proportion of total distressed land in each grade. In Boone county 71.7 per cent of the distressed land was Grades 1 and 2 and in Cass county 76.0 was in these grades.

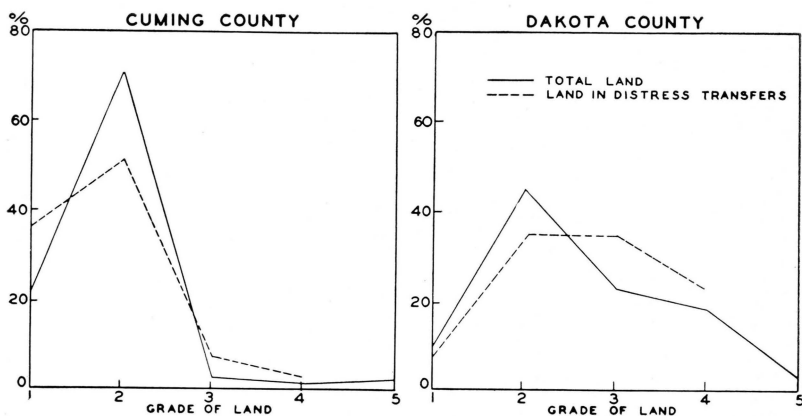


FIG. 5.—Proportion of land in Cuming and Dakota counties by grades and proportion of total land in distress transfers in each grade. In Cuming county 87.4 per cent of the distressed land was in Grades 1 and 2 and in Dakota county 42.1 per cent was in these grades.

distress transfers were Cass with 1.8 per cent of the county acreage, Cuming with 1.0 per cent, and Lancaster with 2.7 per cent.

Both Boone and Valley counties had higher percentages of Grades 1, 3, and 4 land in distress transfers than any other county, only Harlan county having more of Grades 2 and 5.

For all counties the percentage of better grades of land (Grades 1, 2, and 3) in the distress transfers was less than the proportion that the same grades constituted of all land in the county, and the percentage of the

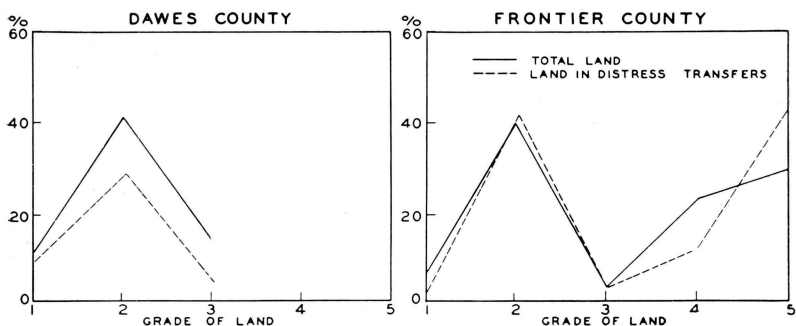


FIG. 6.—Proportion of land in Dawes and Frontier counties by grades and proportion of total land in distress transfers in each grade. In Dawes county 36.4 per cent of the distressed land was in Grades 1 and 2 and in Frontier county 42.7 per cent was in these grades.

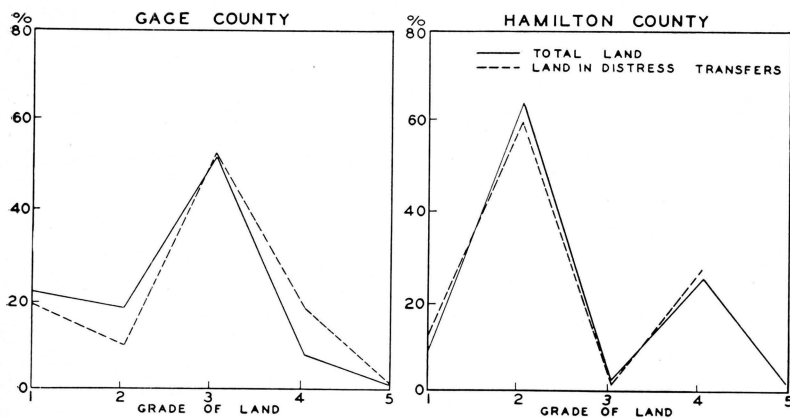


FIG. 7.—Proportion of land in Gage and Hamilton counties by grades and proportion of total land in distress transfers in each grade. In Gage county 29.1 per cent of the distressed land was in Grades 1 and 2 and in Hamilton county 72.2 per cent was in these grades.

poorer grades as represented by 4 and 5 was higher. This indicates a greater tendency for distress transfers to occur on poor than on good land and supports the contention that poor land is overvalued.

The proportion of Grade 5 land transferred by distress sales was 5 per cent higher than that for Grade 1 and that in Grade 4 was 45 per cent higher.

Figures 4 to 9 show the relationship between the proportion of all land in the county by grades and the proportion of distressed land transferred in each grade. It will be observed that the relationship was fairly close in all counties except Valley, where there was an inverse relationship.

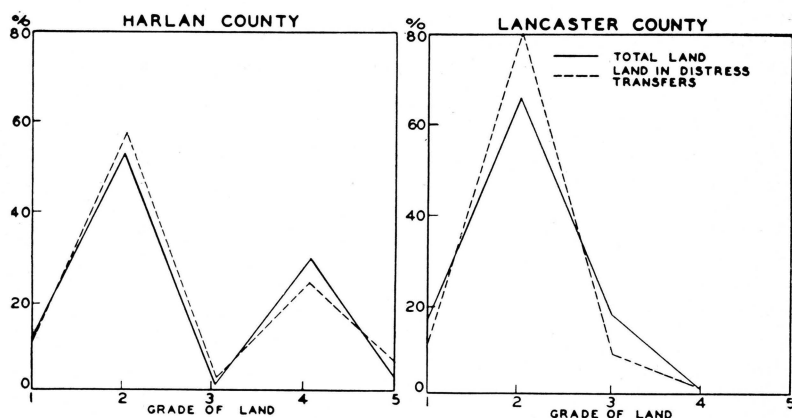


FIG. 8.—Proportion of land in Harlan and Lancaster counties by grades and proportion of total land in distress transfers in each grade. In Harlan county 66.8 per cent of the distressed land was in Grades 1 and 2 and in Lancaster county 90.9 per cent was in these grades.

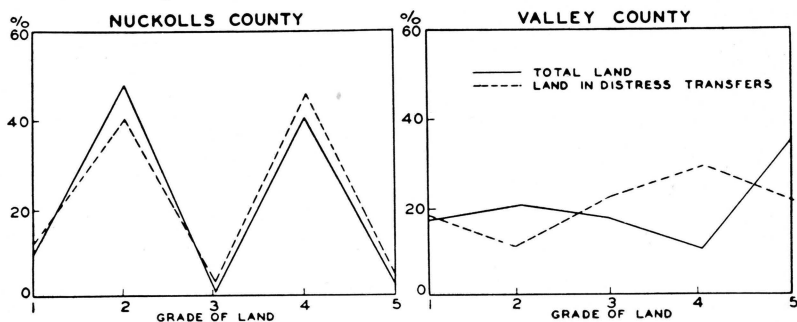


FIG. 9.—Proportion of land in Nuckolls and Valley counties by grades and proportion of total land in distress transfers in each grade. In Nuckolls county 50.8 per cent of the distressed land was in Grades 1 and 2 and in Valley but 29.1 per cent was in these grades.

GRADE OF LAND IN RELATION TO ACRE VALUE IN DISTRESS TRANSFERS

As land is sold in tracts and each tract may contain several grades of land it is impossible to determine a value for each grade of land on the basis of the consideration from the sale of a farm. However, a farm of which 75 per cent is Grade 1 land should be worth more than another farm of equal size in the same locality that is 75 per cent Grade 2 or lower. For all 12 counties studied the average consideration per acre when over 74 per cent of the farm was Grade 1 land was \$81.68; when over 74 per cent was Grade 2, it was \$66.52; when over 74 per cent was Grade 3, it was \$66.27; when over 74 per cent was Grade 4, it was \$43.16; and when

over 75 per cent was Grade 5, it was \$13.91. This was not true for individual counties because of too few farms in which over 74 per cent of the land was of a certain grade or because of unusual improvements on the farm. Table 19 gives the consideration and assessed value of buildings per acre for the distress sales in the 12 counties studied during the six-year period 1928 to 1933, when over 74 per cent of the land was in a certain grade and the remainder distributed throughout the remaining grades.

TABLE 19.—*Values of land in relation to percentages in the various grades.*

Over 74 per cent of farm	Grade of land					Value per acre	
	1	2	3	4	5	Land and buildings ¹	Assessed value of buildings
Boone County							
In Grade 1..	92	8	.	.	.	\$81.00	\$14.85
In Grade 2..	8	88	.	3	1	70.07	5.85
In Grade 3..	.	.	80	.	20	60.62	9.38
In Grade 5..	1	1	1	11	86	13.54	1.19
Cass County							
In Grade 1..	89	.	.	.	11	162.50	14.50
In Grade 2..	4	90	5	1	.	66.68	6.13
In Grade 3..	5	.	93	2	.	73.85	4.88
In Grade 4..	25	.	.	75	.	66.25	5.19
Cumming County							
In Grade 1..	91	6	.	3	.	91.39	6.69
In Grade 2..	7	93	.	.	.	93.66	9.89
Dakota County							
In Grade 1..	88	.	12	.	.	168.97	19.99
In Grade 2..	2	83	.	15	.	87.95	12.36
In Grade 3..	1	3	95	1	.	73.05	7.11
In Grade 4..	.	15	.	85	.	42.50	3.05
Dawes County							
In Grade 2..	6	88	4	.	2	16.27	4.44
In Grade 3..	7	16	77	.	.	6.70	1.61
In Grade 5..	.	.	2	.	98	3.57	1.14
Frontier County							
In Grade 2..	.	86	.	.	14	22.70	2.32
In Grade 4..	.	18	7	75	.	11.52	0.72
In Grade 5..	.	9	1	7	83	21.73	1.80
Gage County							
In Grade 1..	90	.	3	5	2	106.28	8.97
In Grade 2..	.	93	7	.	.	106.38	13.52
In Grade 3..	5	2	87	6	.	76.01	7.32
In Grade 4..	6	.	19	75	.	66.84	2.02

¹ Consideration for voluntary and distress sales.

TABLE 19.—*Values of land in relation to percentages in the various grades.*
(Concluded.)

Over 74 per cent of farm	Grade of land					Value per acre	
	1	2	3	4	5	Land and buildings	Assessed value of buildings
Harlan County							
In Grade 1..	98	2	.	.	.	\$51.28	\$8.88
In Grade 2..	1	85	.	14	.	36.16	4.67
In Grade 3..	.	.	100	.	.	87.26	14.80
In Grade 4..	4	9	.	85	2	25.66	2.89
In Grade 5..	.	.	.	.	100	69.23	2.49
Hamilton County							
In Grade 2..	1	90	.	9	.	80.82	7.90
In Grade 3..	4	2	.	94	.	67.85	6.83
Lancaster County							
In Grade 1..	85	15	.	.	.	74.64	11.68
In Grade 2..	6	94	.	.	.	66.99	10.40
Nuckolls County							
In Grade 1..	100	.	.	.	.	106.25	5.72
In Grade 2..	.	83	1	16	.	69.24	5.08
In Grade 3..	.	22	78	.	.	56.26	4.50
In Grade 4..	4	9	2	85	.	51.38	7.17
Valley County							
In Grade 1..	90	5	3	2	.	61.91	5.44
In Grade 3..	1	.	90	9	.	53.25	2.50
In Grade 4..	.	2	3	91	4	21.89	3.19
In Grade 5..	1	1	4	4	90	21.88	3.45
All 12 Counties							
In Grade 1..	90	5	2	2	1	81.68	10.19
In Grade 2..	3	93	.	4	.	66.52	6.96
In Grade 3..	4	4	88	4	.	66.27	6.45
In Grade 4..	3	6	4	86	1	43.16	4.22
In Grade 5..	1	1	1	8	89	13.91	1.49

As previously indicated, two factors influencing land values are the distribution of the land among the different grades and the value of buildings. In all counties the influence of these two factors was evident in a general way. Where there was but one farm with over 74 per cent of its area in a certain grade there was usually a variation from the trend in the value of land from good to poor. Examples of but one farm with over 74 per cent in a certain grade were Grades 1 and 4 in Cass county, Grade 4 in Frontier, Grade 5 in Harlan, Grade 3 in Nuckolls, and Grade 3 in Valley.

In Cass county there was apparently an overevaluation of Grade 3 land. In Cuming county the difference between Grade 1 and Grade 2 land was more than made up by the greater value of buildings on the latter. In

Dakota county Grade 3 land was probably overvalued because of a greater difference in value between Grades 3 and 4 land than between 2 and 3. In Frontier county, Grade 5 land was decidedly overvalued, part of which was due to the influence of buildings. In Gage county, Grade 4 land was overvalued as there was less difference in value between Grades 3 and 4 than between Grades 2 and 3. In Harlan county the land was obviously overvalued, part of which was due to buildings and part to the tendency to overvalue this grade of land. In Nuckolls county the high building value helped to keep up the value of Grade 4 land. Buildings had a similar influence on Grade 4 and Grade 5 land in Valley county.

There appeared to be an inclination to overvalue Grade 3 land on the part of buyers at distress sales. This was particularly noticeable in Cass county, where there was no added influence of improvements in the consideration. It was also noticeable in Harlan county, although the influence of improvements there was evident. For all 12 counties as a whole, when over 74 per cent of the land in distress sales was in Grade 3 the consideration per acre was approximately the same as when over 74 per cent was in Grade 2. The distribution of the remaining land in the other grades did not appear to be in favor of that with over 74 per cent in Grade 3, as in both cases there was 96 per cent in Grades 1, 2, and 3. The building value did not account for the price being so high in the lower grade, as it was nearly equal in the two cases mentioned.

The inclination for an excess value in buildings on Grade 3 land was noticeable in Boone and Harlan counties, on Grade 4 land in Cass, Nuckolls, and Valley, and on Grade 5 land in Frontier and Valley counties and to some extent in Harlan where the assessed building value per acre was but 40 cents per acre less than on Grade 4 land.

It is recognized that there are other factors influencing the value of land such as distance to market, kind of market, type of production, value of the farm as a place to live, and the number of buyers, to say nothing of the influence of social conditions. It is also recognized that net income is fundamental and determines pretty much what land is worth to the buyer.